CIACO NID 81

April 13, 1981

POLAND: Parliament Supports Jaruzelski

The Polish parliament's resolution supporting Prime Minister Jaruzelski's proposed in an strikes apparently does not have the force of his and leaves the possible initially negative reaction and is preparing for negotiations later this week, parts of which the government has tentatively agreed to televise. The Soviets have not yet commented on Jaruzelski's proposal but may believe that he is now publicly committed to acting forcefully in response to strikes.

military activity is at a lower level. Meanwhile, on Friday Warsaw reached tentative agreement with Western governments on debt relief.

Strike Ban

The parliament's resolution conveys its collective sense toward many of the issues raised by Jaruzelski, but appears to fall short of being a law. Although it could provide the government a mandate to use force if confronted by strikes, the resolution does not obligate the government to do so. A news service report stated that some Solidarity leaders believe the parliament toned down its resolution in response to the union's negative reaction.

The union's press spokesman has played down Solidarity's initial reaction, saying that the union will issue a formal statement after consulting the rank and file. Several believe that Solidarity will abide by a two-month moratorium if the government agrees to respect the security of the union and its members. The government has already given general assurances to this effect, and the union may seek more specific commitments during this week's talks.

Soviet Reaction

Moscow probably wanted Jaruzelski to go further than he did but may be content to allow this latest Polish effort to run its course. The USSR probably will try to use the Prime Minister's warning that another "sharp collision" like Bydgoszcz would have catastrophic consequences to press the regime to take decisive action in the next showdown with Solidarity.

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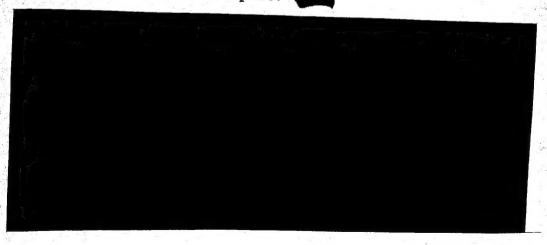
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Soviet Politburo member and top ideologist Suslov, addressing the East German party congress yesterday, followed Brezhnev's lead of last week and took a mild tone on Poland. In remarks similar to those made by another Soviet Politburo member at the Bulgarian party congress on 1 April, Suslov failed to mention Poland by name but stressed that even the slightest deviation from Marxist-Leninist principles invariably leads to "dire consequences." He also stressed the need for "vigilance" against "reactionary" attempts to undermine the socialist community by interfering in the internal affairs of socialist states.

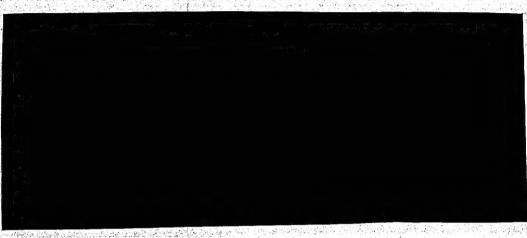
The Soviet media, meanwhile, have taken a generally more restrained stance on the Polish situation. The limited coverage included summaries of speeches by party leader Kania and Jaruzelski that ignored aspects of the situation that do not meet Soviet approval. Soviet media have not reported, for instance, the criticism of the party leadership by the rank and file during Kania's appearance in Gdansk or Jaruzelski's conciliatory comments on Solidarity and the Bydgoszcz incident.

At the East German congress over the weekend party chief Honecker's direct references to Poland were short and bland. The Bulgarian delegate gave the Polish regime an endorsement that seems to go beyond what Brezhnev said in Prague, but the Hungarian spoke more negatively than Budapest has in the past.



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Debt Rescheduling

Poland and 15 Western countries hope to reach an agreement before the end of this month for rescheduling of 80 percent of principal and interest on official debt falling due this year. The draft agreement provides for a four-year grace period with repayment over an additional four years.

A "termination" clause in the debt package stipulates cancellation in the event of "exceptional circumstances"--presumably a Soviet invasion of Poland or coercive measures against Solidarity. As a condition of rescheduling, Poland accepted balance-of-payments targets both with the West and with other Communist countries, and domestic economic stabilization goals.

The amount that would be rescheduled under the draft plan is estimated at \$2.5 billion, a relatively small share of the total \$7 billion debt service requirements from 1 May through 31 December. Moreover, additional financing will be needed if Poland, as it apparently intends to do, continues to run a deficit on its hard currency trade.